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**Department of Fish,  
Wildlife and Parks**

This audit report is the result of our financial-compliance audit of the Department of Fish, Wildlife and Parks for the two fiscal years ending June 30, 2005. We issued a qualified opinion on the financial schedules contained in this report. The reader should use caution in relying on the information presented in the financial schedules, as well as the supporting data on the state's accounting system.

This report contains 13 recommendations directed to the department. Twelve recommendations address various aspects of financial accountability, including revenue and expenditure recognition, federal financial reporting, cash management, expenditures processing, suspension and debarment, accounting for cash receipts during fiscal year-end, capitalization of land and conservation easements, off-line licenses, and internal service fund rates. The last recommendation relates to hunter disability determination.

This report also contains one disclosure issue related to the department's overhead account and its fund classification.

The listing below serves as a means of summarizing the recommendations contained in the report, the department's response thereto, and a reference to the supporting comments.

Recommendation #1

We recommend the department:

- A. Analyze its federal special revenue fund accounts and resolve identified errors; and
- B. Implement policies and procedures to record federal revenue in accordance with state accounting policy..... 9

Department Response: Concur. See Page B-3.

Recommendation #2

We recommend the department improve its controls over the preparation of its annual Schedule of Expenditures of Federal Awards. .... 11

Department Response: Concur. See Page B-4.

## Report Summary

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<u>Recommendation #3</u>	We recommend the department implement controls over its federal financial reporting process. ....	12
	Department Response: Concur. See Page B-4.	
<u>Recommendation #4</u>	We recommend the department improve its controls over cash management to ensure compliance with the state's Treasury-State Agreement and other federal cash management regulations. ....	14
	Department Response: Concur. See Page B-4.	
<u>Recommendation #5</u>	We recommend the department implement procedures to ensure claims are paid according to contract terms. ....	15
	Department Response: Concur. See Page B-4.	
<u>Recommendation #6</u>	We recommend the department document its review for suspension and debarment when awarding contracts to be paid with federal funds. ....	16
	Department Response: Concur. See Page B-5.	
<u>Recommendation #7</u>	We recommend the department provide additional training to staff in use of accounting codes, and establish monitoring procedures to provide for prevention and early detection and correction of accounting errors. ....	17
	Department Response: Concur. See Page B-5.	
<u>Recommendation #8</u>	We recommend the department: A. Record land acquired through purchase and/or exchange at fair value; and B. Ensure land values reconcile between the land unit and asset management records. ....	18
	Department Response: Concur. See Page B-5.	

<u>Recommendation #9</u>	We recommend the department record the value of conservation easements in accordance with state accounting policy.....	20
	Department Response: Concur. See Page B-6.	
<u>Recommendation #10</u>	We recommend the department:  A. Analyze the composition of its private contract, grants, and donation deferred revenue balance and properly classify it; and  B. Account for private contracts, grants, donations, and federal restitution in accordance with state accounting policy. ....	21
	Department Response: Concur. See Page B-6.	
<u>Recommendation #11</u>	We recommend the department implement policies and procedures that will provide assurance the off-line licenses are properly safeguarded. ....	22
	Department Response: Concur. See Page B-6.	
<u>Recommendation #12</u>	We recommend the department evaluate its internal service fund operations and adjust rates accordingly to ensure fees are commensurate with costs as required by state law. ....	23
	Department Response: Concur. See Page B-7.	
<u>Recommendation #13</u>	We recommend the department adopt rules to establish a voluntary board or boards for addressing disability determination disputes as required by state law. ....	24
	Department Response: Concur. See Page B-7.	